



*Report to the
Successor Agency to
the Dissolved AUDA*

Action Item
Agenda Item No. **5**

[Signature]
City Manager Approval

To: Mayor and City Council Members
From: Robert Richardson, City Manager
Megan Siren, Administrative Analyst *[Signature]*
Date: September 9, 2013
Subject: Consideration of approving and adopting an update of the Recognized Obligation Payment Schedule pursuant to Health and Safety Code Section 34177

The Issue

Shall the City Council adopt a resolution approving and adopting an update to the Recognized Obligation Payment Schedule pursuant to Health and Safety Code Section 34177?

Conclusion and Recommendation

Staff recommends that City Council, serving as the successor agency to the dissolved Auburn Urban Development Authority, by RESOLUTION approve and adopt an update to the Recognized Obligation Payment Schedule pursuant to Health and Safety Code Section 34177.

Background

On June 28, 2011, as part of the 2011-12 State of California budget bill, companion bills Assembly Bill 1X 26 (AB 26) and Assembly Bill 1X 27 (AB 27) were enacted, dissolving the Auburn Urban Development Authority (AUDA), unless the City of Auburn (City) elected to participate in the Alternative Voluntary Redevelopment Program established by AB 27 and paid an annual "community remittance" payment to the County of Placer. On July 18, 2011, a Petition of Writ of Mandate was filed in the Supreme Court of the State of California in the matter of *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No S194861 (Legal Action), challenging the constitutionality of AB 26 and AB 27 on behalf of cities, counties and redevelopment agencies. On December 29, 2011, the Supreme Court issued its opinion in the Legal Action, upholding AB 26, invalidating AB 27, extending certain statutory deadlines under Health and Safety Code Sections 34170 through 34191, and dissolving all redevelopment agencies throughout the State effective February 1, 2012.

Analysis

The City elected to become the successor agency to AUDA by Resolution No. 12-03, dated January 9, 2012. One of the responsibilities of the City, as successor agency, is to prepared Recognized Obligation Payment Schedules (ROPS), which sets forth the nature, amount and source(s) of payment of all "enforceable obligations" of AUDA (as defined by law) to be paid by the successor agency after AUDA's dissolution, covering the forward-looking six month fiscal period.

The "enforceable obligations" listed in the ROPS may include the following: bonds, loans legally required to be repaid pursuant to a payment schedule with mandatory repayment terms; payments

required by the federal government, preexisting obligations to the state or obligations imposed by state law; judgments, settlements or binding arbitration decisions that bind the agency; legally binding and enforceable agreements or contracts; contracts or agreements necessary for the continued administration or operation of the agency, including agreements to purchase or rent office space, equipment and supplies; and amounts borrowed from or payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency, which had been deferred as of June 29, 2011. However, the ROPS is to exclude pass-through payments to be made by the county after dissolution of AUDA and any agreements, contracts or arrangements between the City and UDA, except any of the following agreements between the City and AUDA; (1) and written agreements between the City and AUDA entered into prior to December 31, 2010, solely for the purpose of securing or repaying indebtedness obligations to third parties; and (2) loan agreements entered into between the City and AUDA within two years of the date of creation of AUDA.

Pursuant to Health and Safety Code Section 34177(1)(2), as modified by the Supreme Court's opinion in the Legal Action, the City, as successor agency, is required to prepare updated ROPS covering a forward looking six-month period. As such, the ROPS for period January 1, 2014 – June 30, 2014 must be approved by the Successor Agency and Oversight Committee and received by the State and County by October 1, 2013.

The City, as successor agency, has prepared an updated ROPS covering the period from January 1, 2014 – June 30, 2014. The ROPS presenting herein is submitted in a new format recently released by the State Department of Finance. The format includes a “true-up” schedule for obligations reported and actually paid during the period of July 2012 – December 2012.

Alternatives Available to Council; Implications of Alternatives

1. Proceed with Staff Recommendation
2. Do not adopt a resolution. As successor agency to the former Auburn Urban Development Authority, the City is required to adopt an updated Recognized Obligation Payment Schedules for consideration by the Oversight Committee.

Fiscal Impact

City funds expended to prepare the updated ROPS are considered within the administrative reimbursement component of funds to be allocated from the Redevelopment Property Tax Trust Fund, to the extent available.

Attachments: Update ROPS
Resolution

Recognized Obligation Payment Schedule (ROPS 13-14B) - Summary

Filed for the January 1, 2014 through June 30, 2014 Period

Name of Successor Agency: Auburn

Name of County: Placer

Current Period Requested Funding for Outstanding Debt or Obligation			Six-Month Total
Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding Sources (B+C+D):			
A	Sources (B+C+D):		\$ -
B	Bond Proceeds Funding (ROPS Detail)		-
C	Reserve Balance Funding (ROPS Detail)		-
D	Other Funding (ROPS Detail)		-
E	Enforceable Obligations Funded with RPTTF Funding (F+G):		\$ 442,197
F	Non-Administrative Costs (ROPS Detail)		414,947
G	Administrative Costs (ROPS Detail)		27,250
H	Current Period Enforceable Obligations (A+E):		\$ 442,197

Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

I	Enforceable Obligations funded with RPTTF (E):	442,197
J	Less Prior Period Adjustment (Report of Prior Period Adjustments Column U)	-
K	Adjusted Current Period RPTTF Requested Funding (I-J)	\$ 442,197

County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding

L	Enforceable Obligations funded with RPTTF (E):	442,197
M	Less Prior Period Adjustment (Report of Prior Period Adjustments Column AB)	-
N	Adjusted Current Period RPTTF Requested Funding (L-M)	442,197

Certification of Oversight Board Chairman:
Pursuant to Section 34177(m) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named agency.

Keith Nesbitt

Oversight Chairman

Name

Title

/s/

Signature

Date

Recognized Obligation Payment Schedule (ROPS) 13-14B - Report of Fund Balances

(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177(i), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.												
A	B	C	D	E	F	G	H	I	J	K		
Fund Sources												
		Bond Proceeds		Reserve Balance		Other	RPTTF					
		Bonds Issued on or before 12/31/10	Bonds Issued on or after 01/01/11	Review balances retained for approved enforceable obligations	RPTTF balances retained for bond reserves	Rent, Grants, Interest, Etc.	Non-Admin	Admin				Total
Fund Balance Information by ROPS Period												
ROPS III Actuals (01/01/13 - 6/30/13)												
	Beginning Available Fund Balance (Actual 01/01/13) Note that for the RPTTF, 1 + 2 should tie to columns L and Q in the Report of Prior Period Adjustments (PPAs)	-	-	-	169,253				\$	169,253		
1	Revenue/Income (Actual 06/30/13) Note that the RPTTF amounts should tie to the ROPS III distributions from the County Auditor-Controller	-	-	-	-	9,288	17,243	207,671	\$	234,202		
2	Expenditures for ROPS III Enforceable Obligations (Actual 06/30/13) Note that for the RPTTF, 3 + 4 should tie to columns N and S in the Report of PPAs	-	-	-	-							
3	Retention of Available Fund Balance (Actual 06/30/13) Note that the Non-Admin RPTTF amount should only include the retention of reserves for debt service approved in ROPS III	-	-	-	169,253		46,605	207,671	\$	254,276		This amount is retained for partial funding of \$339,000 Debt Service Reserve required for bonds
4	ROPS III RPTTF Prior Period Adjustment Note that the net Non-Admin and Admin RPTTF amounts should tie to columns O and T in the Report of PPAs			No entry required								
5												
6	Ending Actual Available Fund Balance (1 + 2 - 3 - 4 - 5)	\$ -	\$ -	\$ -	\$ -	\$ 9,288	\$ (29,362)	\$ -	\$	(20,074)		
ROPS 13-14A Estimate (07/01/13 - 12/31/13)												
7	Beginning Available Fund Balance (Actual 07/01/13) (C, D, E, G, and I = 4 + 6, F = H4 + F6, and H = 5 + 6)	\$ -	\$ -	\$ -	\$ -	\$ 9,288	\$ (29,362)	\$ -	\$	149,179		
8	Revenue/Income (Estimate 12/31/13) Note that the RPTTF amounts should tie to the ROPS 13-14A distributions from the County Auditor-Controller	-	-	-	-		159,556		\$	159,556		
9	Expenditures for 13-14A Enforceable Obligations (Estimate 12/31/13)	-	-	-	-		329,948	54,000	\$	383,948		
10	Retention of Available Fund Balance (Estimate 12/31/13) Note that the RPTTF amounts may include the retention of reserves for debt service approved in ROPS 13-14A	-	-	-	-							
11	Ending Estimated Available Fund Balance (7 + 8 - 9 - 10)	\$ -	\$ -	\$ -	\$ -	\$ 9,288	\$ (199,754)	\$ (54,000)	\$	(75,213)		

Recognized Obligation Payment Schedule (ROPS) 13-14B - ROPS Detail
January 1, 2014 through June 30, 2014
 (Report Amounts in Whole Dollars)

119

Reported Obligations Payment Schedule (ROPS) 13-14B - Report of Prior Period Adjustments reported for the ROPS III (January 1, 2013 through June 30, 2013) Period Pursuant to Health and Safety Code (HSC) section 34186 (a) (Report Amounts in Whole Dollars)																												ROPS III CAC PPA: To be completed by the CAC upon submission of the ROPS III (SA) to Finance and the CAC.											
A	B	Non-RPTTF Expenditures												RPTTF Expenditures												AA	AB												
		Lump Sum Disbursements (Reported ESO) (Reported Indirects)				Reserve Balance (Reported ESO) (Reported Indirects)				Direct Funds				Non-RPTTF Expenditures				RPTTF Expenditures																					
		Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized	Actual	Authorized												
Item 2	Project Name (Only Obligation)																																						
1	2009 Tax Incremental Bonds																																						
2	Employee Costs																																						
3	Other Administrative Costs																																						
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Recognized Obligation Payment Schedule 13-14B - Notes January 1, 2014 through June 30, 2014	
Item #	Notes/Comments

RESOLUTION NO. 13-

A RESOLUTION OF THE CITY OF AUBURN OF THE CITY OF AUBURN, SERVING
AS THE SUCCESSOR AGENCY TO THE DISSOLVED AUBURN URBAN
DEVELOPMENT AUTHORITY, APPROVING AND ADOPTING AN UPDATE OF THE
RECOGNIZED OBLIGATION PAYMENT SCHEDULE PURSUANT TO HEALTH AND
SAFETY CODE SECTION 34177

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY RESOLVE:

WHEREAS, pursuant to Health and Safety Code Section 34173(d), the City of
Auburn (Successor Agency) elected to become the successor agency to the
Auburn Urban Development Authority by Resolution No. 12-03 on January 9,
2012; and

WHEREAS, Health and Safety Code Section 34183, as modified by the
Supreme Court decision in *California Redevelopment Association, et al. v. Ana
Matosantos, et al.*, Case No. S194861, requires the Successor Agency to
prepare updated recognized obligation payment schedules (ROPS) for each six
month fiscal period beginning January 1 and July 1 each year; and

WHEREAS, Health and Safety Code Section 34177(1)(2) requires the Successor
Agency to submit the updated ROPS to an external auditor, either the Placer
County Auditor-Controller or its designee, for the auditor's review and
certification as to its accuracy; and

WHEREAS, Health and Safety Code Section 34177(1)(2) requires the Successor
Agency to submit the ROPS certified by the external auditor (Certified ROPS) to
the Successor Agency's oversight board for its approval, and upon such
approval, the Successor Agency is required to submit a copy of the approved
ROPS (Approved ROPS) to the Placer County Auditor-Controller, the California
State Controller, and the State of California Department of Finance, and post
the Approved ROPS on the Successor Agency's website; and

1 WHEREAS, all other legal prerequisites to the adoption of this Resolution have
2 occurred.

3 NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, SERVING AS
4 THE SUCCESSOR AGENCY TO THE AUBURN URBAN DEVELOPMENT
5 AUTHORITY, DOES HEREBY RESOLVE AS FOLLOWS:

6 **Section 1. Recitals.** The Recitals set forth above are true and correct and are
7 incorporated into this Resolution by this reference.

8 **Section 2. CEQA Compliance.** The approval of the updated ROPS through
9 this Resolution does not commit the Successor Agency to any action that may
10 have a significant effect on the environment. As a result, such action does not
11 constitute a project subject to the requirements of the California Environmental
12 Quality Act.

13 **Section 3. Approval of Updated ROPS.** The Successor Agency hereby
14 approves and adopts the updated ROPS, in substantially the form attached to
15 this Resolution as Exhibit A, as required by Health and Safety Code Section
16 34177.

17 **Section 4. Transmittal of Updated ROPS.** The City Manager is hereby
18 authorized and directed to take any action necessary to carry out the purposes
19 of this Resolution and comply with applicable law regarding the updated ROPS,
20 including submitting the updated ROPS to the Placer County Auditor-Controller,
21 or its designee, the submission of the Certified ROPS to the Successor Agency's
22 oversight board, upon the oversight board's formation, the submission of the
23 Approved ROPS to the Placer County Auditor-Controller, the California State
24 Controller, and the State of California Department of Finance, and posting the
25 Approved ROPS on the Successor Agency's website.

26 **Section 5. Effectiveness.** This Resolution shall take effect immediately upon
27 its adoption.
28

1 PASSED, APPROVED AND ADOPTED at a regular meeting of the City of Auburn,
2 serving as the successor agency to the Auburn Urban Development Authority,
3 on 9th day of September, by the following vote:

4 AYES:

5 NOES:

6 ABSTAIN:

7 ABSENT:
8
9

10 _____
Kevin Hanley, Mayor

11 ATTEST:

12 _____
13 Stephanie L. Snyder, City Clerk
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